

Federal Advisory Committee Membership Balance Plan Commodity Futures Trading Commission

(1) Federal Advisory Committee Name

Market Risk Advisory Committee (“MRAC”)

(2) Authority

The MRAC is a discretionary advisory committee and is established by the authority of the U.S. Commodity Futures Trading Commission (“Commission” or “CFTC”) in accordance with the Federal Advisory Committee Act, as amended, 5 U.S.C. App. 2.

(3) Mission/Function

The MRAC’s mission and function shall be to conduct public meetings and submit reports and recommendations to the Commission on: (1) systemic issues that impact the stability of the derivatives markets and other related financial markets; and (2) the impact and implications of the evolving market structure of the derivatives markets and other related financial markets. The MRAC will also monitor, advise, and make recommendations on monitoring and managing systemic risk and on ensuring the integrity of the derivatives markets and other related financial markets to support the Commission’s mission.

(4) Points of View

The Commission seeks to identify individuals who represent groups with an interest in the MRAC’s mission and function and reflect a wide range of perspectives and interests, including those that may be conflicting, related to the derivatives markets and other financial markets. To advise the Commission effectively, MRAC members must have a high-level of expertise and experience in the derivatives and financial markets and the Commission’s regulation of such markets, including from a historical perspective. The major derivatives and other financial market structure organizations (exchanges, clearinghouses and intermediaries), market participants, regulators, and academic experts are among the primary sources of this expertise and experience. The MRAC shall consist of no more than 37 total voting and nonvoting members.

Though the precise number of representative members in any viewpoint category may vary over time, the Commission expects the MRAC to have approximately 18-35 members representing the following viewpoint categories:

- (i) end-users (4-6);
- (ii) exchanges (1-2);
- (iii) swap execution facilities (2-4);
- (iv) swap data repositories (1-2)
- (v) clearinghouses (1-3);

- (vi) intermediaries (1-4);
- (vii) market makers (4-6);
- (viii) service providers (1-2);
- (ix) academia (1-2);
- (x) public interest groups (1-2); and
- (xi) regulators (1-2).

The Commission anticipates that MRAC members will primarily be appointed as representatives rather than special government employees (“SGEs”). The particular representative members will be chosen to individually and collectively represent and act as a spokesperson for the organizations and entities that constitute and actively participate in the derivatives and related financial markets. Depending on the issues faced, the Commission may, from time to time, appoint experts to serve as SGEs, or officials of other federal agencies to the MRAC. The Commission will not appoint any federally-registered lobbyists to serve as SGEs on the MRAC. In addition, the Commission may appoint representative members from Regional Reserve Banks of the Federal Reserve System who will serve as nonvoting members of the MRAC.

(5) Other Balance Factors

To the extent practicable, CFTC will strive to select committee members reflecting wide ethnic, racial, gender, and age representation.

(6) Candidate Identification Process

The Commission identifies organizations to be represented on the MRAC based on commissioners’ and CFTC staff professional knowledge of the derivatives and other financial markets, consultation with knowledgeable persons outside the CFTC, and requests to be represented received from organizations. The MRAC’s Sponsor, who may be the Chairman of the Commission, a Commissioner, or a designee of the Commission plays a primary, but not exclusive, role in this process and makes recommendations regarding membership to the Commission. The Commission, by vote, appoints individuals to serve as members on the MRAC.

If there is any membership vacancy, the Commission will evaluate whether a replacement is needed to maintain a fairly balanced membership or otherwise to facilitate the work of the MRAC. If the Commission so determines, it will make a replacement appointment, using the same procedures and with the same considerations as for other appointments.

MRAC members will be appointed to two-, three-, or four-year terms as determined by the Commission. Pursuant to the Charter, members may be removed at any time by a vote of the Commission.

(7) Subcommittee Balance

Any subcommittees shall report to the MRAC and not directly to the Commission. As a result, subcommittees are not subject to FACA requirements. However, the Commission

seeks to ensure that the membership of subcommittees is balanced relative to the particular issues addressed by the subcommittee in question.

(8) Other

N/A

(9) Date Prepared

April 28, 2016